

# Credit Union Department



## NEWSLETTER

No. 06-04

[www.tcred.state.tx.us](http://www.tcred.state.tx.us)

June 30, 2004

### **RESULTS OF CREDIT UNION COMMISSION MEETING**

The Credit Union Commission held a meeting on Friday, June 18, 2004. At the meeting, the Commission took the following actions regarding the Commission Rules included in Title 7 of the Texas Administrative Code (7 TAC):

Adopted amendments to the following sections:

- ❑ 91.502 – Director Meeting Fees
- ❑ 91.510 – Bond and Insurance Requirements
- ❑ 91.602 – Broker Deposits
- ❑ 91.608 – Confidentiality of Member Records
- ❑ 91.801 – CUSOs
- ❑ 91.803 – Investment Limits and Prohibitions
- ❑ 91.804 – Custody and Safekeeping
- ❑ 91.901 – Reserve Requirements
- ❑ 91.1004 – Conversion of Charter

Readopted without changes the following sections:

- ❖ 91.301 – Field of Membership
- ❖ 97.205 – Historically Underutilized Businesses

Approved for publication and comment in the *Texas Register* proposed amendments to the following sections:

- 91.101 – [Definitions and Interpretations](#)
- 91.201 – [Incorporation Procedures](#)
- 91.302 – [Election by Electronic Device](#)
- 91.802 – [Other Investments](#)
- 153.91-96 – [Home Equity Lending](#)

**Click on the title to view the proposed amendments**

### **CHANGES TO APPENDIX A OF REGULATION CC**

New changes will be taking place when the San Antonio check processing operation transitions to Dallas effective July 10, 2004. At that time a change to Appendix A of Federal Reserve Regulation CC, Availability of Funds and Collection of Checks, will take effect as a result of this processing shift.

Regulation CC establishes the maximum period a credit union may wait between receiving a deposit and making the deposited funds available for withdrawal. To reflect the check processing operations shift from the San Antonio office to the Dallas office, the Federal Reserve issued amendments to Appendix A of Regulation CC. The amendments delete the reference to the San Antonio check processing office and reassign the Federal Reserve routing symbols currently listed under that office (1140, 1149, 3140, 3149) to the Dallas office.

As a result of this change, some checks that are drawn on and deposited at credit unions located in the Dallas, El Paso and San Antonio check processing regions and currently are non-local checks will become local checks subject to faster availability schedules.

### **NCUA ISSUES PROPOSED GUIDANCE ON OVERDRAFT PROTECTION PROGRAMS**

The NCUA has issued proposed guidance to assist federally insured credit unions in the responsible disclosure and administration of overdraft protection services.

The proposed guidance identifies concerns raised by credit unions, regulators, and the public about the marketing, disclosure and implementation of overdraft protection programs. To address these concerns, the proposed guidance:

- 1) seeks to ensure that credit unions adopt adequate policies and procedures to address the credit, operational, and other risks associated with overdraft protection services;
- 2) alerts credit unions offering these services to the need to comply with all applicable federal and state laws; and
- 3) sets forth examples of best practices that are currently observed in, or recommended by, the Movement.

The proposal is being issued under the auspices of the Federal Financial Institutions Examination Council (FFIEC) by its member agencies: the National Credit Union Administration; Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; Office of the Comptroller of the Currency; and Office of Thrift Supervision.

Comment on the proposed guidance must be submitted within 60 days of its publication in the *Federal Register*.

### **REVISED CREDIT UNION BYLAWS**

Credit unions choosing to adopt the latest revision of the Standard Credit Union Bylaws can request a Word Document be e-mailed which will allow the credit union to format the bylaws to fit their specific needs. To receive the Word Document via e-mail, please contact Linda Clevlen at 512-837-9236 or [linda.clevlen@tcud.state.tx.us](mailto:linda.clevlen@tcud.state.tx.us).

Some of the areas that require the credit union to make a choice include:

#### **Chapter III: Section 3.01 – Insert current field of membership.**

- ❖ Section 3.02(c) – Fill in blanks with age
- ❖ Section 3.06 – Choose Option 1, 2, or 3 (delete the options not chosen)

#### **Chapter V:**

- ❖ Section 5.01(a) – Fill in number of directors
- ❖ Section 5.01(b) – Choose Option 1 or 2 (delete the option not chosen). If Option 2 is selected, fill in the blank and delete “(fill in the number)”.
- ❖ Section 5.01(c) – Fill in blank
- ❖ Section 5.10(b) – Insert the word(s) may or may not and delete “(insert either may or may not)”
- ❖ Section 5.14(a) – Insert the word may or shall and delete “(insert may or shall)”

#### **Certificate:**

Add name of credit union and indicate type of meeting.

#### **Table of Contents:**

Page numbers need to be updated because they have now shifted due to the text deleted.

Chapter III – delete the lines for Option 1, Option 2 and Option 3.

Chapter V – delete the lines for Option 1 and Option 2.



### **MID-YEAR CALL REPORTS**

The Mid-year Call Reports were mailed to all credit unions on **June 30, 2004**. If you have not received a copy of the program and data diskettes, please call Isabel Velasquez at (512) 837-9236. The call report diskettes must be received in the Department's office or the data transmission files uploaded directly via the internet on or before **July 22, 2004**. Reports received after that date will be assessed a late fee. Please direct any questions to Isabel Velasquez, Executive Assistant or Robert Baxter, Chief Examiner at (512) 837-9236.

### **PUBLISHING NOTICE OF APPLICATIONS IN THE TEXAS REGISTER**

In order to meet the submission deadlines for the applicable issues of the Texas Register, it is necessary for the Department to establish the schedule included below. Completed applications received after the deadline for the month cannot be published until the following month.

<b><u>Published In</u></b>	<b><u>Deadline for Receipt</u></b>
July, 2004	Friday, July 16
August, 2004	Friday, August 13
September, 2004	Friday, September 10

### **APPLICATIONS APPROVED**

Applications approved since May 31, 2004 include:

<b><u>Credit Union</u></b>	<b><u>Changes or Groups Added</u></b>
Field of Membership Change(s) Approved:	
<b>EDS Credit Union</b> (Plano) (Amended) Persons who live, work, worship, or attend school within a ten mile radius of the following credit union locations: 5640 Democracy Drive, Plano, TX 75024; 750 Tower Drive, Troy, MI 48007; 1075 W. Entrance Drive, Auburn Hills, MI 48326; 13600 EDS Drive, Herndon, VA 20171.	See Newsletter No. 03-04
<b>Doches Credit Union</b> (Nacogdoches) (#1 & #2) (Conditional)	See Newsletter No. 03-04
<b>North East Texas Credit Union</b> (Lone Star) (Conditional)	See Newsletter No. 03-04
<b>Fort Worth Community CU</b> (Bedford) (#4 & #5) (Conditional)	See Newsletter No. 04-04
<b>Baytown Teachers Credit Union</b> (Baytown)	See Newsletter No. 04-04
<b>Credit Union of Texas</b> (Dallas)	See Newsletter No. 04-04
<b>Educators Credit Union</b> (Waco)	See Newsletter No. 04-04
<b>First Class American Credit Union</b> (Fort Worth) (Amended) Persons who live, work, worship, or attend school within a 10 mile radius of First Class American Credit Union's office located at 2595 Polaris Drive, Fort Worth, Texas.	See Newsletter No. 04-04
<b>Graphic Arts Credit Union</b> (Houston) (Amended) Employees, members, and owners of companies in the graphic arts industries in Harris County, Texas.	See Newsletter No. 04-04
<b>Baptist Credit Union</b> (San Antonio)	See Newsletter No. 05-04
<b>Community Resource Credit Union</b> (Baytown) (#1)	See Newsletter No. 05-04
<b>Community Resource Credit Union</b> (Baytown) (#2)	See Newsletter No. 05-04
<b>Community Resource Credit Union</b> (Baytown) (#3)	See Newsletter No. 05-04
<b>Government Employees Credit Union of El Paso</b> (El Paso)	See Newsletter No. 05-04
<b>Winkler County Credit Union</b> (Kermit) (Conditional)	See Newsletter No. 05-04

### ***APPLICATIONS APPROVED (Continued):***

Field of Membership Change(s) Approved (Conditional):

<b>Fort Worth Community Credit Union</b> (Bedford) (#4)	See Newsletter No. 04-04
<b>Fort Worth Community Credit Union</b> (Bedford) (#5)	See Newsletter No. 04-04

Field of Membership Change(s) Denied:

<b>Community Service Credit Union</b> (Huntsville)	See Newsletter No. 04-04
<b>Fort Worth Community Credit Union</b> (Bedford) (#1)	See Newsletter No. 04-04
<b>Fort Worth Community Credit Union</b> (Bedford) (#2)	See Newsletter No. 04-04
<b>Fort Worth Community Credit Union</b> (Bedford) (#3)	See Newsletter No. 04-04

Articles of Incorporation Change(s) Approved:

<b>S&amp;S Credit Union</b> (Houston)	See Newsletter No. 05-04
---------------------------------------	--------------------------

Merger(s) or Consolidations(s) Approved:

<b>Galveston County FCU</b> with <b>Associated CU of Texas</b>	See Newsletter No. 01-04
--	--------------------------

Foreign Credit Union to Operate a Branch Office Approved:

<b>Wescom Credit Union</b> (Pasadena, California) dba <b>Unocal Credit Union</b> (Sugar Land)	See Newsletter No. 05-04
--	--------------------------

### **APPLICATIONS RECEIVED**

The following applications were received and published in the June 25, 2004 issue of the Texas Register.

Field of Membership Expansion(s):

**Winkler County Credit Union** (Kermit) – To permit persons who worship in, and attend school in Winkler and Loving Counties, Texas, to be eligible for membership in the credit union.

**Houston Postal Credit Union** (Houston) – To permit persons who live, work, attend school, or worship in and businesses located in the following United States Postal Zip Codes: 77002, 77003, 77004, 77007, 77008, 77009, 77010, 77011, 77012, 77013, 77016, 77017, 77020, 77021, 77022, 77023, 77026, 77028, 77029, 77032, 77033, 77037, 77039, 77045, 77047, 77048, 77050, 77051, 77060, 77061, 77076, 77078, 77087, 77091, 77093, 77502, 77506, 77547, and 77587, to be eligible for membership in the credit union.

**MemberSource Credit Union** (Houston) (#1) – To permit employees of The Woodlands Operating Company, L.P., and their subsidiaries, affiliates or successors who work in, are paid or supervised from The Woodlands, Texas, to be eligible for membership in the credit union.

***APPLICATIONS RECEIVED (Continued):***

**MemberSource Credit Union** (Houston) (#2) – To permit employees of The Woodlands Resort & Conference Center, and their subsidiaries, affiliates or successors who work in, are paid or supervised from The Woodlands, Texas, to be eligible for membership in the credit union.

**Pegasus Credit Union** (Dallas) – To permit persons who work or reside within a 10-mile radius of the Pegasus Credit Union office located at 8800 N. Tarrant Parkway, North Richland Hills, Texas, to be eligible for membership in the credit union.

**OmniAmerican Credit Union** (Fort Worth) – To permit persons who live, work, attend school in, are paid from, business and non-business entities, organizations and associations located within the Dallas Metropolitan Statistical Area (MSA), to be eligible for membership in the credit union.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Credit unions that wish to comment on any application must also complete a Notice of Protest form. The form may be obtained by contacting the Department at (512) 837-9236 or downloading the form at <http://www.tcud.state.tx.us/applications.html>. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.

Merger(s) or Consolidation(s) Changes:

An application was received from **Texas State Florists' Association Credit Union** (Austin) seeking approval to merge with **The Florist Federal Credit Union** (Roswell, New Mexico) with the latter being the surviving credit union.

Foreign Credit Union to Operate a Branch Office:

An application was received from **RiverLand Credit Union** (New Orleans, Louisiana) to operate a Foreign (out-of-state) Branch Office at 10055 Grogan's Mill Road, Parkwood II Bldg., The Woodlands, Texas.

Comments or a request for a meeting by any interested party relating to an application must be submitted in writing within 30 days from the date of this publication. Any written comments must provide all information that the interested party wishes the Department to consider in evaluating the application. All information received will be weighed during consideration of the merits of an application. Comments or a request for a meeting should be addressed to the Texas Credit Union Department, 914 East Anderson Lane, Austin, Texas 78752-1699.